Equity hike in foreign companies

515. SHRI SUBRAMANIAN SWAMY:
SHRI MOHD. KHALEELUR RAHMAN:
SHRI G. G. SWELL:
SHRI SARADA MOHANTY:
SHRI CHIMANBHAI MEHTA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that RBI has approved equity holding hikes in foreign companies at the cost of local industries by allowing heavy discount to parent foreign companies; if so; the reasons therefor;

(b) whether it is a fact that most of the hike approval are given in consumer sector; if so; what are the details thereof;

(c) whether it is a fact that CCI formula was given up while discount approval were cleared; and

(d) what is the difference in CCI formula and current approval formula?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) (a) to (d) The information is being collected and will be laid on the Table of the House.

Full convertibility of Rupee

516. SHRI MOHD. KHALEELUR RAHMAN:
SHRI G. G. SWELL:
SHRI CHIMANBHAI MEHTA:
SHRI SARADA MOHANTY:
SHRI N. GIRI PRASAD
SHRI CHATURANAN MISHRA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that he has declared that the Rupee would be fully convertible;

(b) if so; what are the fresh implications of conversion;

(c) whether this is for free float of the Rupee;

(d) what are the factor justifying impending full conversion of Rupee; and

(e) whether relevant factors are manageable including Export Import balance; repayment of principals and interests on foreign loans; controlling of inflation etc.; if so; the details of the perceptions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) (a) No; Sir.

(b) and (c) Do not arise.

(d) and (e) It is the intention of the Government to move towards full convertibility of Rupee over the medium term depending on the circumstances. The timing of the transition to full convertibility of Rupee on Current and Capital Account would depend on achieving a number of desiderata such as a comfortable level of foreign exchange reserves; a sustainable deficit of Current Account stability in economic growth; a low rate of inflation; a manageable level of fiscal deficit; and removal of the remaining quantitative and other restrictions on trade and invisibles account.

Depending on the factors mentioned above; it is expected that Rupee would be made convertible initially

on Current Account and full convertibility may follow subsequently.

Privatisation of subsidiaries of GIC

517. SHRI MOHD. KHALEEUR RAHMAN:
SHRI G. G. SWELL:
SHRI SARADA MOHANTY:
SHRI CHIMANBHAI MEHTA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is fact that our subsidiaries of GIC are likely to be privatised; if so; the reasons therefor;

(b) whether they would be allowed to compete against each other keeping in view of their increasing inefficiency and to make them more efficient;

(c) what are the funds at their disposal; the details;

(d) whether the Institute of Surveyors is proposed to be brought on par with Institute of Chartered Accountant; and

(e) whether the foreign insurance companies would be permitted to operate in India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) (a) to (e) A Committee headed by Shri R. N. Malhotra, former Governor of Reserve Bank of India was set up by the Government of India in April 1993 to suggest reforms in the Insurance Sector aimed at introducing a more competitive environment subject to suitable regulation and supervision. The Committee will consider among other things: all the issues raised in the Question. The recommendations of the Committee which are expected shortly; will be considered by the Government of India thereafter.

518. (*Transferred to 9th December 1993*)

519. (*Transferred to 9th December 1993*)

Bank dues from Industrial Houses

520. SHRI N. GIRI PRASAD:
SHRI GURUDAS DAS *GUPTA:*

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that huge amount of loans disbursed to large industrial houses by nationalised banks are lying as not recovered;

(b) if so; the names of the big industrial houses which have defaulted in refunding loans to banks and financial institutions and the amount of loans involved in each case?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) (a) Reserve Bank of India (RBI) have reported that as on March 31, 1992; the total amount of outstanding against credit limits sanctioned to 453 industrial groups as reported by banks was Rs. 26432.58 crores. Out of these; the outstanding balance in respect of groups having irregular accounts was Rs. 2803.04 crores.

(b) In accordance with the provisions of statutes governing public sector banks and practices and usages customary amongst bankers; the information relating to their individual constituents cannot be divulged.